

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Criminal No. 06-

v. : 18 U.S.C. § 371

HOWARD M. SCHOOR : **I N D I C T M E N T**

The Grand Jury in and for the District of New Jersey,
sitting at Newark, charges:

COUNT 1

(Conspiracy to Use the U.S. Mail to Defraud the Public
of Honest Services of Ocean Township and TOSA Officials)

Defendant and Entities

1. Defendant HOWARD M. SCHOOR was a principal and founding member in an engineering and consulting firm (the "Engineering Firm" or the "Firm"). The Engineering Firm, which had offices throughout the State of New Jersey and elsewhere, was in the business of providing engineering and consulting services to public and private entities, including local governments and government agencies. From in or about 1996 to in or about 2002, defendant SCHOOR had a compensation agreement with the Engineering Firm that defendant SCHOOR would: (A) provide services to the Firm as requested by the Firm's Chief Executive Officer ("CEO") in exchange for a predetermined salary; (B) begin to sell back shares of his stock in the Firm at the rate of 10% per owned shares beginning in the fiscal year 1996; and (C)

receive other benefits and reimbursement of expenses, including reimbursement for the Firm's use of defendant SCHOOR'S condominium in Boca Raton, Florida. Thereafter, defendant SCHOOR was engaged by the Engineering Firm as a consultant and an employee. On or about August 5, 2005, defendant SCHOOR, by letter to the CEO, resigned from the Engineering Firm, indicating therein that (A) he had served as a representative of the Firm for 30 years in its professional relationship with Ocean Township (Monmouth County, New Jersey) and the Township of Ocean Sewage Authority ("TOSA") and (B) at no time did he engage in any wrongdoing individually or on behalf of the Engineering Firm.

2. At all times relevant to this Indictment, (A) TOSA was responsible for the operation and maintenance of Ocean Township's public sewerage systems and provided sewerage treatment services for other local governments; (B) defendant HOWARD M. SCHOOR was designated the Ocean Township Engineer and the TOSA Engineer; and (C) defendant SCHOOR sought, and received, business with Ocean Township and TOSA for the Engineering Firm, including, in or about 2000, business in connection with a plan for between approximately \$4 million and \$7.8 million in capital improvements for TOSA, which was estimated at the time to be worth between approximately \$600,000 and \$850,000 in fees for the Engineering Firm.

Coconspirators

3. Stephen D. Kessler was appointed as a member of TOSA in or about 1976, and served as a member of TOSA until on or about April 1, 2005. Kessler served as the Chairman of TOSA from in or about at least 1995 to in or about January 2004. Both as Chairman and a TOSA member, Kessler was in a position to influence, and did influence, official action on behalf of TOSA in the hiring and retention of contractors to perform services for TOSA, including engineering service contracts with the Engineering Firm. As TOSA Chairman, Kessler signed all contracts between TOSA and the Engineering Firm.

4. Terrance D. Weldon was the Mayor of Ocean Township, having first been elected as an Ocean Township Councilman in or about 1989, and first been appointed as Mayor in or about 1991. Weldon remained Mayor until in or about October 2002. Weldon also was a member of TOSA, from in or about 1982 to in or about June 2000. Both as Mayor and as a TOSA member, Weldon considered and acted on financial matters affecting the Township of Ocean and TOSA, such as budget appropriations and the award of contracts to contractors doing business with Ocean Township and TOSA, including engineering services.

Public's Right to Honest Services

5. At all times relevant to this Indictment, TOSA, the

Township of Ocean and its citizens had an intangible right to the honest services of their public officials. As public officials for TOSA and the Township of Ocean, Stephen D. Kessler and Terrence D. Weldon owed TOSA, the Township and its citizens a duty to: (A) refrain from accepting and agreeing to accept bribes and other corrupt payments and benefits designed to (i) improperly affect the performance of their official duties or (ii) coax their favorable official action or inaction; and (B) disclose conflicts of interest pertaining to Kessler's and Weldon's direct and indirect personal gain and other material information in official matters over which they exercised, and attempted to exercise, official authority and discretion.

The Conspiracy

6. From in or about at least 1997 to in or about 2003, in Monmouth and Atlantic Counties, in the District of New Jersey, and elsewhere, defendant

HOWARD M. SCHOOR

knowingly and willfully did combine, conspire, confederate and agree with others to commit offenses against the United States--that is, using the United States mails for the purpose of executing a scheme and artifice to defraud TOSA, Ocean Township and its citizens of the right to Stephen D. Kessler's and Terrance D. Weldon's honest services in the affairs of Ocean

Township and TOSA, contrary to Title 18, United States Code, Sections 1341 and 1346.

7. The object of the conspiracy was for defendant HOWARD M. SCHOOOR to offer and give Stephen D. Kessler and Terrance D. Weldon concealed corrupt payments and other benefits--to include, cash and free out-of-state accommodations at defendant SCHOOOR'S condominium in Boca Raton, Florida--to influence and reward Kessler and Weldon for their continued official support of the Engineering Firm as specific opportunities arose (including Kessler's official action in connection with the Engineering Firm obtaining a contract from TOSA to perform engineering services for TOSA's 2000 to 2001 capital improvement plan), and, in part, through the use of the United States mails, to conceal from TOSA, Ocean Township and its citizens material information--namely, defendant SCHOOOR giving and agreeing to give corrupt cash payments and other benefits to Kessler and Weldon.

8. It was part of the conspiracy that between in or about at least 1997 and in or about November 2001, defendant HOWARD M. SCHOOOR gave corrupt cash payments to Kessler for Kessler to share with Weldon, and, on one occasion, to Weldon directly, to include: (A) between in or about 1998 and in or about 1999, at a golf course in Jackson, New Jersey, defendant SCHOOOR gave Weldon an approximately \$1,000 corrupt cash payment; (B) in or about 2000, defendant SCHOOOR gave Kessler an approximately \$5,000

corrupt cash payment; (C) in or about May 2001, in Freehold Township, New Jersey, defendant SCHOOR gave Kessler an approximately \$5,000 corrupt cash payment; and (D) between in or about November 12, 2001 and in or about November 16, 2001, in Atlantic City, New Jersey, defendant SCHOOR gave Kessler an approximately \$5,000 corrupt cash payment.

9. It was a further part of this conspiracy that between in or about 1998 and in or about 2000, defendant HOWARD M. SCHOOR provided free out-of-state accommodations to Kessler, to include:

(A) Between on or about December 23, 1998 and on or about January 3, 1999, defendant SCHOOR gave Kessler use of defendant SCHOOR's condominium in Boca Raton, Florida. On or about July 20, 1999, defendant SCHOOR applied to the Engineering Firm to have expenses associated with Kessler's stay reimbursed to defendant SCHOOR at the rate of \$200 for 12 days (\$2,400), describing Kessler's use of the condominium as "client use of Boca home" on the expense report that defendant SCHOOR submitted to the Engineering Firm. Defendant SCHOOR charged an additional \$145.37 expense for charges at a club in Boca Raton from in or about December 29, 1998 to in or about December 31, 1998 as being reimbursable to defendant SCHOOR regarding Kessler's stay at defendant SCHOOR's condominium. On or about August 5, 1999, the Engineering Firm reimbursed defendant SCHOOR for certain expenses, including these expenses that defendant SCHOOR had claimed relating to Kessler's stay at defendant SCHOOR'S condominium.

(B) Between in or about December 1999 and in or about January 2000, defendant SCHOOR gave Kessler use of defendant SCHOOR's condominium in Boca Raton, Florida. On or about September 6, 2000, defendant SCHOOR applied to the Engineering Firm to have expenses associated with Kessler's stay reimbursed to him at the rate of \$200 for 10 days, describing Kessler's use of the home as "rental" on the expense report that defendant SCHOOR submitted to the Engineering Firm. On or about September 12, 2000, the Engineering Firm reimbursed defendant SCHOOR for certain expenses, including these expenses that defendant SCHOOR had

claimed relating to Kessler's stay at defendant SCHOOR'S condominium.

10. It was a further part of this conspiracy that defendant HOWARD M. SCHOOR, Kessler and Weldon concealed and attempted to conceal the giving and receipt of these corrupt payments and benefits and other material information from TOSA, Ocean Township and its citizens by, among other things:

(A) giving and receiving payments in cash to avoid an audit trail;

(B) defendant SCHOOR intentionally failing to disclose that defendant SCHOOR had been reimbursed by the Engineering Firm for Kessler's use of defendant SCHOOR's Boca Raton condominium on defendant SCHOOR's Financial Disclosure Statement filed with the State of New Jersey, Department of Community Affairs, Division of Local Government Services [hereinafter, "Local Government Services"] for the reporting year [hereinafter, "RY"] 2000 and mailed to Local Government Services in Trenton, New Jersey, in or about April 2001.

(C) Kessler intentionally failing to disclose that defendant SCHOOR had given cash payments and other benefits to him on Kessler's Financial Disclosure Statements filed with Local Government Services, to include the reporting years 1999, 2000 and 2001. These reports were mailed to Local Government Services in Trenton, New Jersey in or about April 2000 (RY 1999), April 2001 (RY 2000) and April 2002 (RY 2001).

(D) Weldon intentionally failing to disclose that defendant SCHOOR had given cash payments to him on Weldon's Financial Disclosure Statements filed with Local Government Services, to include the reporting years 2000 and 2001. These reports were mailed to Local Government Services in Trenton, New Jersey in or about April 2001 (RY 2000) and April 2002 (RY 2001).

(E) On or about February 7, 2003, after there had been a public disclosure that Weldon had obtained corrupt payments from individuals other than defendant SCHOOR, defendant SCHOOR caused to be written a letter to be sent by mail and fax to the Township of Ocean and certain of its officials,

attempting to conceal the corrupt activity detailed above and to lull these officials into believing that defendant SCHOOR was not involved in corrupt activity with Weldon and Kessler:

It is readily understood that recent events relating to former Mayor Weldon puts all those associated with the Township under increased scrutiny, and we fully concur with the need to be vigilant and aware of any possible conflict situations. The undersigned and [the Engineering Firm] appreciates our long-term relationship, and you are assured that former Mayor Weldon, or anyone else in the Township, has never asked us to provide favorable treatment or to give special consideration to any person or any project within the Township.

Overt Acts

11. In furtherance of the conspiracy and to effect its objects, defendant HOWARD M. SCHOOR and the coconspirators committed the following overt acts in the District of New Jersey, and elsewhere.

A. Between in or about November 12, 2001 and in or about November 16, 2001, in Atlantic City, New Jersey, defendant SCHOOR gave an approximately \$5,000 corrupt cash payment to Kessler.

B. On or about April 25, 2002, Kessler caused his Financial Disclosure Statement for reporting year 2001 to be filed by United States mail with Local Government Services in Trenton, New Jersey.

C. On or about February 7, 2003, defendant SCHOOR caused to be written a letter to be sent by mail and fax to the Township of Ocean and certain Ocean Township officials.

In violation of Title 18, United States Code, Section 371.

A TRUE BILL

FOREPERSON

CHRISTOPHER J. CHRISTIE
United States Attorney